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AZ CORP COMMISSION  
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July 19, 2001

Ms. Deborah Scott  
Director, Utilities Division  
Arizona Corporation Commission  
1200 W. Washington  
Phoenix, Arizona 85007

RE: REVISION TO ARIZONA PUBLIC SERVICE COMPANY'S SCHEDULE #1  
Docket No. E-01345A-01-0455

Dear Ms. Scott:

Attached, please find a revision to Arizona Public Service Company's ("APS") Schedule #1, Section 2.7.4, page 3 of 7. The purpose of this filing is to reflect a change in the financial instrument and publication thereof that APS will utilize in determining interest rates for customer deposits. This supercedes the filing made on June 8, 2001.

If you or your staff have any questions, please feel free to call me.

Sincerely,

Jana Van Ness  
Manager  
State Regulations

Attachment

JVN/srm

Cc: Patrick Williams,  
Manager, Compliance & Enforcement  
Docket Control, (Original, plus 10 copies)

Arizona Corporation Commission

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- 2.7.3 Customer security deposits shall not preclude Company from terminating agreement for service or suspending service for any failure in the performance of Customer obligation under the agreement for service.
- 2.7.4 Cash deposits held by the Company six (6) months/183 days or longer shall earn interest at the established one year Treasury Constant Maturities rate, effective on the first business day of each year, as published on the Federal Reserve Website. Deposits on inactive accounts are applied to the final bill when all service options become inactive, and the balance, if any, is refunded to the Customer of record within thirty (30) days. For refunds resulting from the customer changing from Standard Offer to Direct Access, the difference in the deposit amounts will be applied to the customer's account.
- 2.7.5 If Customer terminates all service with Company, the security deposit may be credited to Customer's final bill.
- 2.7.6 Residential security deposits shall not exceed two (2) times Customer's average monthly bill as estimated by Company for the services being provided by the Company.
  - 2.7.6.1 Deposits or other instruments of credit will automatically expire or be returned or credited to customers account after twelve (12) consecutive months of service, provided Customer has not been delinquent more than twice, unless Customer has filed bankruptcy in the last 12 months.
- 2.7.7 Nonresidential security deposits shall not exceed two and one-half (2-1/2) times Customer's maximum monthly billing as estimated by the Company for the service being provided by the Company.
  - 2.7.7.1 Deposits and non-cash deposits on file with the Company will be reviewed after twenty-four (24) months of service and will be returned provided Customer has not been delinquent more than twice in the payment of bills or disconnected for non-payment during the previous twelve (12) consecutive months unless the Customer's financial condition warrants extension of the security deposit.
- 2.8 Line Extensions - Installations requiring Company to extend its facilities in order to establish service will be made in accordance with Company's Conditions Governing Extensions of Electric Distribution Lines and Services filed with the Arizona Corporation Commission.

### 3. Rates

- 3.1 Rate Information - Company shall provide in accordance to Commission Rule, R14-2-204a copy of any rate schedule applicable to that Customer for the requested type of service. In addition, Company shall notify its Customers of any changes in Company's tariffs affecting those Customers.
- 3.2 Rate Selection - Customer's service characteristics and service requirements determine the selection of applicable rate schedule. If the Customer is being served on a Standard Offer rate, the Company will use reasonable care in initially establishing service to Customer under the most advantageous Standard Offer rate schedule applicable to Customer. However, because of varying Customer usage patterns and other reasons beyond its reasonable knowledge or control, Company cannot guarantee that the most economic applicable rate will be applied. Company will not make any refunds in any instances where it is determined that Customer would have paid less for service had Customer been billed on an alternate applicable rate or provision of that rate.
- 3.3 Standard Offer Optional Rates - Certain optional standard offer rate schedules applicable to certain classes of service allow Customer option to select the rate schedule to be effective initially or after service has been established. Customer desiring service under an alternate rate schedule after service has been established must make such request in writing to Company. Billing under the alternate rate will become effective from or after the next meter reading, or when the appropriate metering equipment is in place. No further changes, however, may be made within the succeeding twelve-month period. Where the rate schedule or contract pursuant to which Customer is provided service specifies a term, Customer may not exercise its option to select an alternate rate schedule until expiration of that term.
- 3.4 Direct Access rate selection will be effective upon the next regular meter read date if the direct access service request is processed fifteen (15) calendar days prior to that date and the appropriate metering equipment is in place. If a direct access service request is made less than fifteen (15) days prior to the next regular read date the effective date will be at the next meter read date thereafter. The above timeframes are applicable for customers changing their selection of Electric Service Providers or for customers returning to standard offer service in accordance with the rules, regulations, and orders of the Commission.
- 3.5 Any customer making a Direct Access rate selection may return to standard offer service in accordance with the rules, regulations, and orders of the Commission. However, such customer will not be eligible for Direct Access for the succeeding twelve (12) month period. If a customer returning to standard offer, in accordance with the rules, regulations and orders of the Commission, was not given the required notification in accordance, with the rules and regulations of the Commission, by their Load Serving ESP of its intent to cease providing competitive services then the above provision will only apply if the customer fails to select another ESP within sixty (60) days of returning to standard offer.

### 4. Billing and Collection

- 4.1 Customer Service Installation and Billing - Service billing periods normally consist of approximately 30 days unless designated otherwise under rate schedules, through contractual agreement, or at Company option.